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Four Key Global Corporate Diplomacy Trends for 2011-2012

Water, Women, Entrepreneurs, Emerging Markets - Four Key Global Corporate Diplomacy Trends for 2011-2012

Last week I had the opportunity to lead a session on Corporate Diplomacy for the USC Center on Public Diplomacy's <u>Summer Institute</u>. It is always a pleasure and humbling experience to engage with global public diplomacy practitioners and this summer's group was no different. <u>Participants</u> hailed from every corner of the globe and I learned so much from my brief interactions with them. In preparation for my class, I compiled *Key Corporate Diplomacy Trends* that will lead corporate diplomacy efforts through the end of 2011 and well into 2012. This list is by no means exhaustive as there are dozens of efforts in the corporate diplomacy space within any given sector. The trends I selected reflect activity across sectors and regions and provide ample opportunity for public diplomacy practitioners and corporate diplomats alike to partner and have impact in the months and years to come. The *Key Corporate Diplomacy Trends* (in equal order of importance):

- Water
- Women
- Entrepreneurs

• Emerging Markets & Economic Development

Several of these, principally <u>Women</u> and <u>Entrepreneurs</u>, I've discussed in past blogs and both will continue to grow in prominence in the corporate diplomacy space, principally as areas for development and partnership in emerging and developed economies. I have also underscored the shift from CSR related efforts to an increased focus on economic development efforts by companies. In my next post I will delve deeper into emerging markets with a list of key countries to watch on the corporate diplomacy front. The one new trend that is gaining prominence and which I'll focus this post on is the issue of water globally.



Water Diplomacy - A Thirsty World

I recently read *The Big Thirst* by <u>Charles Fishman</u>. For anyone seeking to understand water today this book is an essential. Fishman is best known for his previous work *The Wal-Mart Effect*

which won him critical acclaim for his in-depth review of Wal-Mart's business practices and impact on economies and our daily lives. The Big Thirst, in similar fashion, goes deep into understanding the origins of our relationship with water and calls for a better understanding, appreciation and respect for this precious natural resource. As Fishman writes, *"Many civilizations have been crippled or destroyed by an inability to understand water or manage it.* We have a huge advantage over the generations of people who have come before us, because we can understand water and we can use it smartly." Some key insights Fishman draws out:

For Americans at home, flushing the toilet is the main way we use water, typical American flushes five times per day at home and uses 18.5 gallons; every day Americans flush 5.7 billion gallons of clean drinking water down the toilet.

The largest single consumer of water in the United States, 201 billion gallons each day... **hydroelectric plants** – coal, gas, and nuclear power plants for cooling and steam.



Business Insider

And according to <u>Water.org</u>, a non-profit dedicated to providing safe drinking water and sanitation to people in developing countries, lack of access to clean water is at a crisis point for over 1 billion people. With demand compounding and shrinking supplies, global water is big business. Many economists argue that water is not a public good, rather a rapidly developing commodity and growth market with some predicting it will eventually outpace the oil market. Citigroup is now recommending that <u>investors purchase water companies given</u> <u>current global trends</u>. And as noted in a recent WSJ article, <u>China is investing heavily in water</u> with 251 dam projects in 57 countries. The construction of dams remains a hotly debated and intensely scrutinized issue for the local communities it displaces as well as the potential environment damage that will result. Finding a balance between energy needs and conservation going forward will be key. The issue of water may be one of the most challenging public diplomacy efforts of our time. Governments, companies, NGOs and individuals will have to work together to address the compounding challenges surrounding

global water.

Conquerors of the Useless

End of summer for me is always a time of reflection and renewal, taking time out for a mind and body detox from all the clutter and chaos in our daily lives. And yes, drink a ton of water. Just thinking about water now makes me thirsty. *Flush the body, clear the mind*. My focus on researching global water trends was punctuated recently by a film a family friend shared which left an indelible impression and homes in on many emerging corporate diplomacy



<u>180? South</u> tracks one man's trek to Patagonia re-tracing the journey from 40 years earlier of Yvon Chouinard, founder of Patagonia and his friend Doug Tomkins, founder of North Face. The film's tagline *Conquerors of the Useless*, actually threads in pressing issues of our time – depletion of natural resources, urbanization, consumerism, growing energy demands, cultural preservation and economic development.

The film at its core is all about seeking and finding balance. Balance with nature, balance within governments, companies and communities, balance within oneself. Finding balance has historically been incredibly difficult to achieve. To find balance however, one must first seek balance. Today I see too few examples of companies, governments, and individuals actively seeking balance. So much of modern life is lived in extremes and we're paying the price.

There is a great line which became a running theme of the film where Chouinard, begins to address the concept of balance and progress, *"If you approach the edge of a cliff, do you step forward? Or turn 180 degrees and then take a step? And which is considered progress?"*

When it comes to water we are at the cliff's edge. Where we go from there will have consequences for generations to come.